

STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION - DIVISION OF CLEAN WATER PROGRAMS  
MARCH 21, 2002

**ITEM 18**

**SUBJECT**

WATER RECYCLING FACILITIES PLANNING GRANT (FPG) PROGRAM; APPROVAL OF A GRANT TO THE CITY OF AMERICAN CANYON (CITY); FACILITIES PLANNING STUDY (FPS) FOR THE AMERICAN CANYON WATER RECYCLING PROJECT (PROJECT); WATER RECYLING PROJECT NO. 3206-010

**DISCUSSION**

On March 7, 2000, the voters added the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act to the Water Code. Section 79143 of the Water Code provides authorization for the State Water Resources Control Board (SWRCB) to issue water recycling FPS grants from monies in the 2000 Bond Law Water Recycling Subaccount. This authorization continues the water recycling program that was started under the Safe, Clean, Reliable Water Supply Act of 1996.

The SWRCB approved the *Water Recycling Funding (WRF) Guidelines* (Guidelines) on April 17, 1997, governing the Water Recycling Construction Program (WRCP) and the FPG Program. FPS grants are authorized to cover 50 percent of eligible costs up to a maximum grant of \$75,000 per study.

On December 18, 2001, the City applied for an FPG to initiate and complete a planning study for the Project. The total proposed FPS cost is \$170,000 and the grant requested is \$75,000. The study will investigate the feasibility and cost-effectiveness of recycled water for landscape irrigation. On January 24, 2002, the Division of Clean Water Programs (Division) approved the Plan of Study for the Project.

The WRF Guidelines provide that costs for planning incurred before the execution date of the grant contract are not eligible for grant funding. However, in order for the City to expedite this planning study, Division staff recommends that the FPS costs incurred after the adoption of this grant commitment resolution be eligible for grant funding. This will allow the City to begin eligible work approximately two months earlier, while the grant contract is being processed and executed. Grant disbursements to the City will not take place until the contract has been executed.

**POLICY ISSUE**

Should the SWRCB approve an FPG in the amount of \$75,000 for the City's Project? Should the City's planning work performed after SWRCB adoption of this grant commitment, but prior to execution of a contract, be eligible for grant funding?

**FISCAL IMPACT**

A total of approximately \$113 million was initially made available in the 2000 Bond Law Water Recycling Subaccount for WRCP grant and loan funding. Of this amount, 40 percent (\$45.2 million) was designated for Northern California with 50 percent (\$22.6 million) of this amount specified for planning grants and loans. The SWRCB's previous commitments leave a balance of \$1.4 million available for planning grants and loans in Northern California.

**RWQCB IMPACT**

None.

**STAFF RECOMMENDATION**

That the SWRCB adopt a resolution approving the \$75,000 FPG to the City for the subject study and authorize eligibility for costs incurred after SWRCB adoption of this grant commitment resolution.

STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2002-

WATER RECYCLING FACILITIES PLANNING GRANT (FPG) PROGRAM; APPROVAL  
OF GRANT TO THE CITY OF AMERICAN CANYON FOR FACILITIES PLANNING STUDY  
(FPS); AMERICAN CANYON WATER RECYCLING PROJECT

**WHEREAS:**

1. On March 7, 2000, the voters approved the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act, and provided authorization for the State Water Resources Control Board (SWRCB) to issue water recycling FPS grants;
2. The State Water Resources Control Board established the FPG Program by adoption of the Water Recycling Funding (WRF) Guidelines on April 17, 1997;
3. The City submitted a grant application dated December 18, 2001, requesting grant funding for the FPS of the American Canyon Water Recycling Project;
4. The Division of Clean Water Programs staff reviewed the application and other supporting information for the study and determined that the submitted documents comply with the WRF Guidelines; and
5. The WRF Guidelines provide that only costs incurred after execution of the grant contract are eligible. However, it would be beneficial to allow study costs incurred after SWRCB adoption of this resolution to be eligible for grant funding.

**THEREFORE BE IT RESOLVED THAT:**

The State Water Resources Control Board:

1. Approves an FPG for 50 percent of the eligible costs but not to exceed \$75,000 to the City for its FPS;
2. Approves a condition requiring submittal of the final facilities planning report by January 6, 2003. The Division may approve up to a 12-month extension for good cause; and
3. Approves grant funding for costs incurred after adoption of this Resolution. Such costs shall not be reimbursed until after the grant contract receives Department of General Services approval.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 21, 2002.

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Maureen Marché  
Clerk to the Board